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RUEHSH/AMCONSUL SHENYANG 4713
RUEHIN/AIT TAIPEI 3686
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UNCLAS SECTION 01 OF 06 SEOUL 001097

SIPDIS

E.O. 12958: N/A
TAGS: [PREL](#) [PGOV](#) [MARR](#) [ECON](#) [KPAO](#) [KS](#) [US](#)
SUBJECT: SEOUL - PRESS BULLETIN; July 10, 2009

TOP HEADLINES

Chosun Ilbo
Security Advisors to President Lee Suffer Attacks by Hackers

JoongAng Ilbo, Dong-a Ilbo, Segye Ilbo, All TVs
Malignant Codes Used for Latest Distributed Denial-of-Service (DDoS)
Attacks May Destroy Hard Drives of "Zombie" PCs That Are Connected
to the Internet and Have Been Compromised by a Hacker

Hankook Ilbo
No Countermeasures in Sight against DDoS Attackers

Hankyoreh Shinmun
Dong-a Ilbo Owner under Investigation
for "Unfair Stock Trading"

Seoul Shinmun
Third Wave of Cyber Attacks Hits ROK

DOMESTIC DEVELOPMENTS

The Unification Ministry said yesterday that it will require
government permission for ROK citizens to carry luxury goods,
including wine, liquor, cosmetics and furs, into North Korea, in
compliance with UN Security Council Resolutions 1874 and 1718, which
ban the transferring and exporting of such items to the North.
(Hankook, Segye)

INTERNATIONAL NEWS

Group of Eight leaders, in a July 9 statement adopted in L'Aquila,
Italy, urged North Korea to refrain from further violations of
relevant UNSC resolutions and to engage in dialogue and cooperation.
(Chosun, Dong-a, Segye, Seoul, all TVs)

According to a senior State Department official, China is preparing
to impose independent sanctions against North Korea. The official
also said that North Korean companies are changing their names after

the imposition of international sanctions. (Chosun)

Prof. Park Han-sik of the University of Georgia, in a July 9 interview, said that North Korean authorities told him during his July 4-8 visit that the two U.S. journalists sentenced to 12 years of hard labor in the North last June are staying at a state guest house in Pyongyang and that they are well. (JoongAng)

The U.S. Congress Research Service (CRS), in a recent report, said that North Korea earns nearly \$20 million a year by producing and circulating fake \$100 bills called "supernotes." (Dong-a)

MEDIA ANALYSIS

-N. Korea

Most ROK media gave front-and inside-page play to a July 9 G8 statement adopted in L'Aquila, Italy, in which G8 leaders condemned North Korea's nuclear and missile tests as "posing a danger to peace and stability in the region and beyond," and urged the North to refrain from further violations of relevant UN Security Council resolutions and to engage in dialogue and cooperation.

Conservative Chosun Ilbo cited a senior State Department official as saying in a July 8 briefing that China is in the process of developing its own measures to implement sanctions against North Korea. Chosun interpreted this to mean that Beijing expressed its

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willingness for cooperation during a recent visit by a U.S. delegation led by Philip Goldberg, coordinator for the implementation of UNSC Resolution 1874. The State Department official was further quoted as saying that North Korean companies are changing their names after the imposition of the sanctions.

Right-of-center JoongAng Ilbo carried a July 9 interview with Prof. Park Han-sik of the University of Georgia, who visited North Korea from July 4-8, quoting him as saying that North Korean authorities told him that the two U.S. journalists sentenced to 12 years of hard labor in the North last June are staying at a state guest house in Pyongyang and that they are well.

-Cyber Attacks on U.S. and ROK

The third wave of cyber attacks yesterday by an unidentified group of hackers on ROK government and corporate Web sites received top press coverage.

Most media reported that the damage seemed relatively limited because most of the affected sites' operators braced for the latest round of attacks after prior warnings from antivirus companies. Officials, however, feared that more attacks may come, according to media reports.

Conservative Chosun Ilbo cited ROK intelligence authorities as saying that they have yet to find technical proof but that circumstantial evidence shows it is almost certain that North Korea is behind the attacks. The Chosun report also quoted a local security software firm as casting doubt on the claim, saying that a probe of the IP address tracked the attacker to the U.S.

Right-of-center JoongAng Ilbo editorialized: "We believe that we need to be fully alert for possible cyber attacks from North Korea. As recent events have shown, we are clearly vulnerable to hackers. A large part of daily life is conducted on the Internet, including various types of commercial deals, financial transactions, public administration, entertainment and education. ... It is truly terrifying to think that North Korea is running a cyber attack unit and trying to find the right time to launch an attack."

Conservative Dong-a Ilbo argued in an editorial: "The National Intelligence Service is blaming Pyongyang for good reason. North Korea's propaganda agency, the Committee for the Peaceful Unification of the Fatherland, effectively heralded cyber terrorism through a spokesman's statement June 27. ... The fact that only ROK and U.S. Web sites have been attacked also supports the North Korea

link. Furthermore, the U.S. has also pointed to the North as the mastermind of the cyber attacks."

OPINIONS/EDITORIALS

----- Irresponsible Attacks

(JoongAng Ilbo, July 10, 2009, Page 42)

Simultaneous cyber attacks are hitting key government agencies, including the presidential Blue House. These attacks are being mounted, according to previous plans, in a very organized way, which is adding to the seriousness of this incident. The attacks seem to be aimed at paralyzing the entire ROK society, in which cyber life is an essential part of daily life. In addition, the National Intelligence Service (NIS) has aroused further controversy by raising the possibility that the cyber attacks may have originated in North Korea.

If it is true that North Korea or its sympathizers are behind the attacks, this incident has revealed a hole in national security. Although there is yet no clear evidence showing that North Korea is the source of the attacks, the probability is high enough. Therefore, we should be fully prepared for a possible North Korea link and cope with this situation accordingly. Long ago, on the instructions of leader Kim Jong-il, North Korea installed an "electronic warfare unit" in the Office of Chief of the General

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Staff of the Korean People's Army, a unit at the same level as a biochemistry unit or a missile guidance unit. This unit has prepared for cyber attacks on the ROK and other nations. Chances are slim that this unit is for self defense because there is almost no possibility of the North itself being hit by a cyber attack. This is because North Korea is running an Intranet, which is isolated from the outside world. Furthermore, since North Korea's cyber life is not as active as ours, a possible cyber attack against the North would not do much damage.

As recent events have shown, we are clearly vulnerable to hackers. A large part of daily life is conducted on the Internet, including various types of commercial deals, financial transactions, public administration, entertainment and education. But Internet security is not sufficient, and those who use such services are not aware of the possible dangers. The current spate of cyber attacks have been relatively small in scale so no serious damage has been done, but this cannot yet be confirmed. It is truly terrifying to think that North Korea is running a cyber attack unit and trying to find the right time to launch an attack.

Apart from these problems, we also need to point out the problems with the NIS analysis. As the national agency admits itself, tracking down the source of cyber attacks takes a tremendous amount of effort and a great deal of time. Still, the NIS pointed to North Korea first, without having any concrete evidence. Although it cannot be said that there is no circumstantial evidence to support their suspicions, the NIS should have announced their suspicion that the North was behind the attacks only when someone from the outside, whether a legislator or someone else, asked the question. If it had, the opposition party would not have been able to say that the authorities are fabricating the case or trying to use it for political gain. The NIS's sloppy response has triggered an unnecessary controversy.

More serious, however, are the Democratic Party's accusations toward the NIS. Recently, the North has been confronting us, the U.S. and Japan. The DP itself admitted numerous times that the North's nuclear test and missile launches threaten peace on the Korean Peninsula and in Northeast Asia. North Korea cannot be excluded as a suspect behind the recent cyber attacks. But saying that the authorities invented the case for political reasons is not the right attitude for a responsible political party to take when it has a larger responsibility to protect the national interest.

(We have compared the English version on the website with the Korean version and replaced the first two paragraphs with our own

translation to make them identical.)

The Cyber Terrorism Threat is Real
(Dong-a Ilbo, July 10, 2009, Page 42)

As cyber attacks targeting the presidential office of Cheong Wa Dae, the Defense Ministry and the U.S. White House continued for the third day, a mutated malicious code emerged to expand the targets of the attacks. Experts warn that since the technology used in cyber terrorism is so well orchestrated and thorough, it is difficult to estimate the damage. South Korea is in a dire situation that is tantamount to cyber war. The government, investigators and private think tanks are scrambling to handle the situation but are having a hard time.

South Korea's main spy agency, the National Intelligence Service, told the parliamentary intelligence committee Wednesday, "The attacks are believed to have been waged by North Korea or pro-North Korea groups." The North, which is conducting nuclear weapon development and missile tests, is apparently trying to acquire the means to wage a high-tech cyber war. This is another threat to South Korea's national security. But the main opposition Democratic Party raised suspicion of Seoul's intelligence agency, saying "We suspect the accusation is the government's tactic to exploit its confrontation with the North." The party also boycotted the committee meeting yesterday. The backbone of the country's computer

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network is in a chaotic situation due to cyber terrorism, but the opposition party insanely seeks to use the crisis for political gain.

The National Intelligence Agency is blaming Pyongyang for good reason. The Committee for the Peaceful Unification of the Fatherland, North Korea's propaganda agency that targets the South, effectively acknowledged cyber terrorism as an option through a spokesman's statement June 27. Calling Seoul's bid to participate in Cyber Storm, a U.S.-led cyber war drill, as "an act of aggression that shows (the South's) ambition to attack the North," the committee said, "We are prepared for any type of high-tech war." Another reason to suspect Pyongyang is that only Web sites of South Korea and the U.S. have been attacked. The U.S. has also blamed the North as the mastermind of the cyber attacks.

Nevertheless, the Democratic Party is accusing Seoul of pointing its finger at Pyongyang to exploit its confrontation with North Korea. Does this mean the party does not care that the cyber attacks were committed by the North? This illustrates that the party still holds the same perception toward the North as the two previous leftist governments. It is a pity to see the party's lack of recognition of security vigilance since it suspects the South's intelligence before being wary of the North. How will the party react if and when evidence is found linking the North to the attacks?

If the opposition party recognizes the importance of national security, it should go to the National Assembly first and listen to what the national intelligence agency has to say. Even if the North wages a full-fledged war, simultaneously with cyber attacks, the party's role is to check and discuss whether the nation's backbone, computer and the military online networks for operations, are working properly.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

Kim Jong-il's Poor Health and Possible Emergency in N. Korea
(JoongAng Ilbo, July 10, page 42)

The image of North Korean leader Kim Jong-il, which was featured in yesterday's newspapers, has led us to many thoughts. Kim Jong-il looked gaunter than before when he showed up at Pyongyang Gymnasium for a memorial event commemorating the 15th anniversary of Kim Il-sung's death. In video-recorded footage from (North Korea) Korean Central Television, he appeared to have considerably less

hair and his lips looked a bit twisted. He seemed to walk with a limp when he entered the venue and he looked much weaker than three months ago during his last public appearance. Looking at him in ill health gave us mixed feelings. He may have suffered from a stroke, diabetes or kidney failure, but experts say none of this can be determined with just his picture. However, what is clear is that based on these images Kim Jong-il is no longer as healthy as he appeared during the inter-Korean talks in 2000 and 2007. The laws of nature regarding birth, old age, sickness and death seemingly do not elude him. We realize that his ill health may suddenly bring an unexpected change in the situation.

North Korea's direction toward a third-generation of hereditary-power succession, and a series of provocations, such as its second nuclear test and missile launches, are naturally considered to be associated with his health problem. North Korea aspires to become a prosperous and powerful country in 2012, but Kim Jong-il is in poor health and it seems that North Korea must feel anxious. In a dictatorship like North Korea, Kim Jong-il's death will signal a change in the regime. A prolongation of his ill health would intensify internal confusion over the succession structure and stoke instability in the regime. The ROK should prepare for all possibilities and take every countermeasure against any possible emergency in North Korea. The ROK should also make sure that it can respond to an emergency most effectively through close consultations not only with the U.S. but also its neighbors and related countries. Thorough preparation will

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allow a challenge to turn into an opportunity.

FEATURES

U.S. Journalists Are Staying at State Guest House in Pyongyang
(JoongAng Ilbo, July 10, page 1)

By Reporter Jeong Yong-sik

Professor Park Han-sik recently visited North Korea

North Korea reportedly has not yet executed its punishment of the U.S. journalists who were sentenced in June to 12 years of hard labor.

During his July 4-8 visit to North Korea, Professor Park Han-sik of the University of Georgia said that North Korean authorities told him that the two U.S. journalists are staying at a state guest house in Pyongyang and that they are well.

Professor Park observed that North Korea's failure to execute punishment hints at the possibility that North Korea may release them through dialogue with the U.S. He added that the U.S. reporters may be released early depending on a "U.S. gesture."

"North Korea Will Soon Officially Nominate Kim Jong-il's Successor"
(JoongAng Ilbo, July 10, 2009, Page 13)

By Reporter Chung Yong-soo

Professor Park Han-sik of the University of Georgia observes the current state of North Korea.

North Korea is making serious moves. North Korea has been ratcheting up tensions through a nuclear test and missile launches. The succession issue of Chairman of the National Defense Commission Kim Jong-il is drawing attention from neighboring countries. Regarding recent developments in North Korea, Kim Young-hie, JoongAng Ilbo's senior editor specializing in international affairs interviewed Professor Park Han-sik of the University of Georgia, who visited Pyongyang from July 4 to 8.

Failure to execute the punishment of the U.S. journalists hints at North Korea's intention to have dialogue with the U.S.

North Korea's recent series of missile launches are aimed at flaunting its capability to sink a warship... They are not related to the succession issue.

Q. There is much interest in North Korea's succession issue. What is the atmosphere in Pyongyang?

"I got a sense that the succession issue will be officially raised in the near future. I heard those who had hesitated to mention the succession issue saying, 'The party and the people will officially have (a new leader) in the near future.' Considering that a number of people said the same thing, there seemed to be a consensus in the leadership."

Q. Many people are now mentioning National Defense Commission Chairman Kim Jong-il's third son Jong-un as a likely successor.

"I think so, too. During the recent visit, however, I did not hear a decision as to who is going to be the successor. State control according to Kim Il-sung's dying wishes has taken root in the North. We cannot think of a Kim Jong-il era without Kim Il-sung. We should say that in the North, every sector has its fixed policy line. Therefore, it would not be a big problem even if his successor does not weigh policy decisions to a great extent or does not have much wisdom or knowledge."

Q. Some people view the recent series of missile launches as being

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linked to the succession issue.

"I heard some people say that North Korea's missile firings are related to the Proliferation Security Initiative (PSI). (The North Koreans) protest that it is an act of piracy for a Navy warship to search a North Korean merchant vessel. It can be said that North Korea flaunted its capability to sink a warship with a missile (through its missile tests.)"

Q. The U.S. is taking a very hardline stance. Doesn't the U.S. intend to take full care of the situation this time?

"We need to take a careful look (at the situation.) For war industry officials, who have much influence over policy decisions in the U.S., North Korea is absolutely needed. As evidence, they cited North Korea as the most threatening country in their report. However, since President Obama is a new figure in politics, he is distant from the interest of the war industry. The Obama Administration emphasizes reform, opening, democracy, and human rights. It also exercises the principle of embracing diversity with flexibility. Secretary of State Hillary Clinton takes the middle ground. On the other hand, neoconservatives argue that we should attack the North. There is some confusion as to whether we should seek dialogue or confrontation."

Q. Did you exchange views (with the North Koreans) about the issue of U.S. female journalists?

"They are reportedly fine and staying in a guesthouse. (The North Koreans) were furious that the journalists tried to make a program to tarnish North Korea's image. They also seemed to be displeased that the U.S. did not stake out its stance. I got the feeling that the issue can be fully resolved politically."

Q. There is strong criticism that Pyongyang did not send a condolence delegation for the late President Roh Moo-hyun and pushed ahead with a nuclear test.

"The nuclear test seemed to have been planned a long time ago. Since President Roh passed away right before the test, Pyongyang appeared to have been perplexed. North Korea looked to have seriously thought about sending a delegation. (The North Koreans) said that in a situation in which inter-Korean relations were cut off, they would not be able to do something that required the approval of the ROKG. When Chung Ju-yung (founder and former chairman of the Hyundai Group) and Chung Mong-hun (former chairman of the Hyundai Asan) died, it was easy for them to raise the issue

with the ROK because the two Koreas had a good relationship at that time, but that is not the case now."

Q. What is your outlook on inter-Korean ties?

"Pyongyang seems to be taking the extreme position that it will not have anything to do with the Lee Myung-bak Administration. It seems to have expectations for the next ROKG. If an administration which has the same North Korea policy as the current administration comes into power in the next election, a strain in inter-Korean ties will be prolonged."

STEPHENS